



# CITY of LOWELL

Fiscal Year 2024 Adopted Budget

Thomas A. Golden, Jr., City Manager  
Conor Baldwin, Chief Financial Officer  
Austin Ball, Deputy Chief Financial Officer



## Lowell City Council:

Sokhary Chau, Mayor | John Drinkwater | Erik Gitschier  
Wayne Jenness | John J. Leahy | Rita Mercier  
Vesna Nuon | Corey Robinson | Daniel Rourke  
Kimberly Scott | Paul Ratha Yem

# FY2024 Budget Presentation

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June 6<sup>th</sup>, 2023

1. Introduction / Opening Remarks
2. FY2024 Budget Presentation by Finance Department

# FY24 Budget Calendar

<b>January 25, 2023</b>	Budget instructions and financial sheets distributed to Department Heads.	<b>March 28, 2023 – May 23, 2023</b>	Final Budget Preparation (Revenue forecast, expenditure review, cost/ benefit analysis, preliminary budget meetings, etc.)
<b>February 15, 2023</b>	All department budget requests (financials) due to the finance department for review.	<b>June 6, 2023</b>	Budget Introduction to Lowell City Council; City Council Votes to Accept Timely Submission of the FY2024 Operating Budget & Endorse Capital Plan
<b>February 16, 2023 to February 18, 2023</b>	Finance department to work with departments to complete financial request submissions.	<b>June 20, 2023</b>	Public Hearing for FY2024 Capital Plan loan order & FY2024 Operating budget appropriation order. Projected adoption date by the City Council.
<b>March 1, 2023</b>	Departments' completed budget submissions due (all information emailed to Austin Ball, Deputy CFO).	<b>June 22, 2023</b>	Deadline for City Council adoption of the Budget (Mass General Law Chapter 44 § 32).
<b>March 2, 2023 To March 11, 2023</b>	Departments' complete budget submissions reviewed by finance (i.e.: goals, mission statement, performance measures, etc.)	<b>June 21, 2023</b>	CFO/ Budget Department's transmittal of the Chart of Accounts/appropriations to the City Auditor.
<b>March 23, 2023 – March 27, 2023</b>	CFO, budget staff, and/or City Manager may meet with Department Heads to discuss departmental budgets.	<b>July 1, 2023</b>	Begin Fiscal Year 2024.

# Major Fiscal Challenges

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- Increase in the **Pension Assessment** of \$1.2 million;
- The average overall **Health Insurance** premium increase is 5.1% from the GIC. Some plan increases were as high as 10.5%. A 5.1% increase represents about \$2.04 million in additional cost;
- Increase in the **Charter Schools** assessment \$4.2 million;
- **Personnel Cost** (FY24 MOU per CBA's) of 2.5%, approximately \$6 million;
- **Increase in Debt Service** of approximately \$450,000



# Fiscal Highlights

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- **Investment in Education - Over \$28.5 million** in additional funding to the Lowell Public Schools, including an unprecedented increase to Chapter 70 aid;
- **Capital investments - An FY2024 investment of \$31 million.** The City of Lowell continues to maximize tax payer's dollars by pursuing state, federal, and private grant sources to fund capital investments, where tax dollars are only required to match a fraction of the overall project costs. The FY2024 capital budget makes an historic investment in roadways and bridges, increases the commitment to accessibility from 5% to 7% for compliance with the Americans with Disabilities Act ("ADA") requirements, and continues the city's momentum on investments into city and school facilities.
- **Continued Realignment of municipal services**, including a reorganization of the Department of Public Works ("DPW") to enhance service delivery, as well as to provide more efficient operations. Other reorganizations in the law department and the city assessor's department have also been included;
- **Creation of a sustainability division of DPW**, which will include the creation of a new Director of Sustainability position and support staff to focus on environmental issues, building energy management systems, as well as to manage the city's sustainability initiatives.
- **Enhanced inspectional services capacity**, including the addition of a new building inspector/ plans reviewer and a sanitary code enforcement officer to enhance the city's enforcement capacity and address certain quality of life issues in the neighborhoods;
- **Funding to Address the Homelessness Crisis and expand human services through strategic ARPA investments**, including an expanded CO-OP team of clinicians, outreach workers, and an expansion of the syringe collection program. These services will complement the network of grants to not-for-profit agencies through ARPA.
- **Public Safety Funding** – Also included in the FY2024 funding plan is a third Deputy Superintendent position and the addition of a new Sergeant to enhance the city's police protection and to give the Lowell Police Department the ability to manage the body-worn camera program. In the fire department, the finance department and the Fire Chief have worked together to propose a sustainable funding amount to continue to have maximum fire protection and eliminate the dangerous practice of company closings or so-called "brown outs".

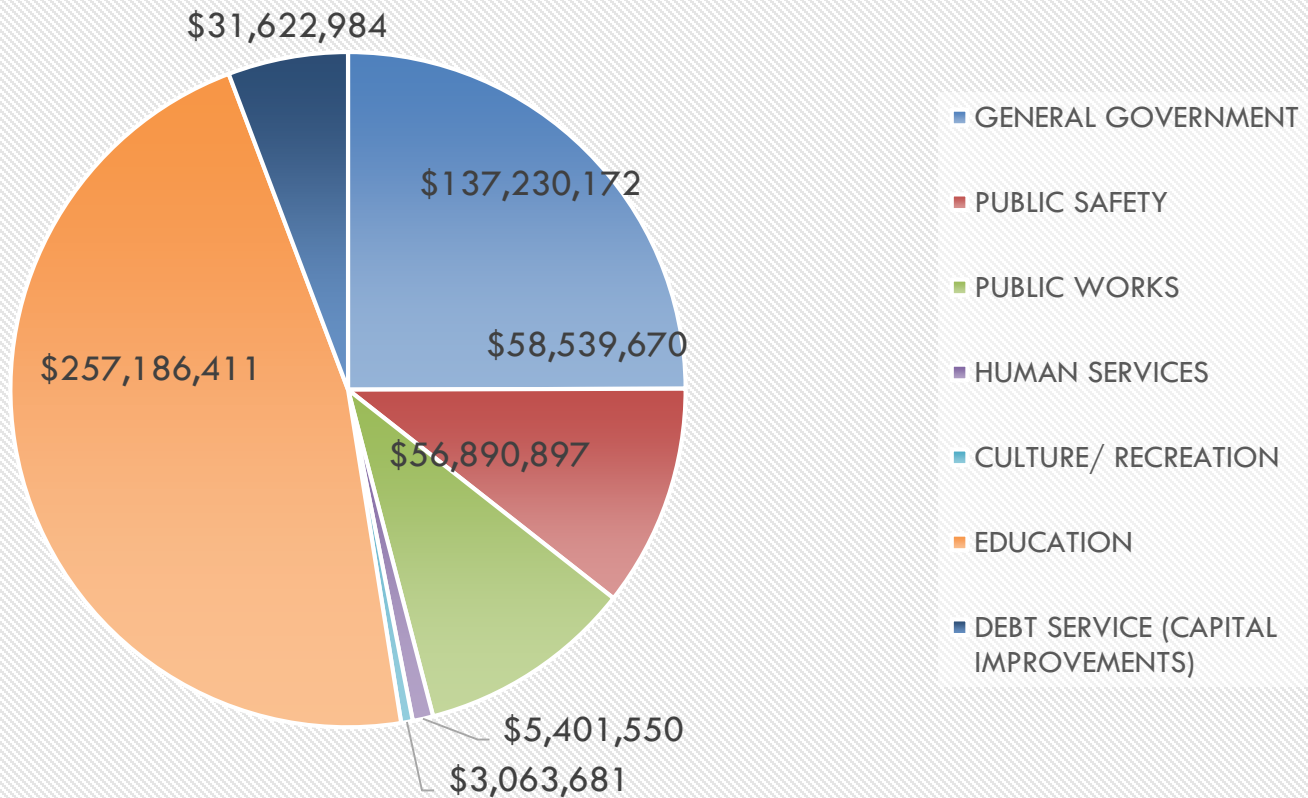
# Charter School Budget Impact

## Charter School Impact – 4-year History

Charter School Impact Table	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Charter School Assessment	\$27,977,582.00	\$32,268,956.00	\$38,627,052.00	\$42,182,619.00
Charter School Reimbursement	\$4,042,205.00	\$7,129,571.00	\$12,331,818.00	\$11,639,643.00
"Net Charter Cost"	\$23,935,377.00	\$25,139,385.00	\$26,295,234.00	\$30,542,976.00
Increase over prior FY	-	\$1,204,008.00	\$1,155,849.00	\$4,247,742.00

# FY24 Appropriations

## 2024 Appropriations by Category



# FY2024 Revenue Sources

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## Tax Levy

- FY2024 Tax Levy = \$170,187,177
- 1% = \$1.7 million
- 2.5% = \$4.2 million
- Excess Levy Capacity = \$15.1 million (Prop. 2 ½ )
- Proposed Tax increase for FY24 of 3.5%\*

## Local Receipts

- \$29.5 million (FY2024)

## State Aid

- Chapter 70 (Education) = \$228.6 million (FY24)
- UGGA (Unrestricted) = \$30.1 million (FY24)

## Enterprise Funds (Water, Sewer, Parking)

- \$52.1 million (TOTAL) – rate increases for water, sewer and parking

## Available Funds

- \$7.3 million – Various Funds (\$3.2 from stabilization, \$2.9 from ARPA, various other funds)



# Questions/ Comments

